

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

JS PRODUCTS, INC.,

Plaintiff,

vs.

KABO TOOL COMPANY,

Defendant.

Case No. 2:11-cv-01856-RCJ-GWF

ORDER

Motion to Compel (#120)

This matter comes before the Court on Defendant Kabo Tool's ("Kabo") Motion to Compel (#120), filed on February 26, 2013. Plaintiff JS Products ("JSP") filed an Opposition (#134) on March 15, 2013. Kabo filed a Reply (#137) on March 25, 2013. The Court conducted a hearing on the Motion (#120) on April 2, 2013. *See Minutes of Proceedings, Doc. #154.*

BACKGROUND

This Court has previously set forth the bases of JSP's claims in this case, *see October 23, 2012 Order, Doc. #79* at 2:2-3:12, which are hereby incorporated. Kabo now seeks under Federal Rules of Civil Procedure 26, 37, and 45 to compel further responses to its Requests for Production numbers 2, 4, 5, 8, 10, 13, 14, 16, 18, 20, 23, 28, 29, 30, 34, 43, 49, and 50, and to conduct an additional Rule 30(b)(6) deposition of JSP.

Kabo represents it served its First Set of Requests for Production ("RFPs") on February 7, 2012, and received JSP's Responses on March 27, 2012. In its October 23, 2012 Order (Doc. #79), the Court granted in part Kabo's Motion to Compel (#42), and JSP provided further productions. After the supplemental productions, Kabo represents JSP communicated it had no additional documents responsive to Kabo's RFPs.

1 Kabo subsequently conducted individual and 30(b)(6) depositions during the week of
2 December 17, 2012. Kabo represents that during the deposition of JSP witness Gregory Ross
3 (“Ross”), Kabo discovered that Ross limited his email search term to “Kabo” when locating
4 potentially responsive documents. Kabo further represents that JSP’s 30(b)(6) witness James
5 Moore (“Moore”) stated that Kabo limited its search to the emails of Moore, Ross, and JSP
6 employee Tim Michel, parameters which Kabo argues were inappropriately narrow.

7 Finally, Kabo represents that in his 30(b)(6) deposition, Moore referenced or identified
8 numerous withheld documents that are responsive to Kabo’s RFPs. Following Kabo’s requests for
9 additional production, JSP provided a supplement on February 11, 2013. Kabo now argues the
10 following categories of documents are responsive to its RFPs and have still not been produced: (1)
11 detailed manufacturing documentation and original factory drawings; (2) JSP’s standard operating
12 procedures (“SOPs”) relevant to Kabo’s asserted claims; (3) JSP’s project check lists relevant to
13 the accused products; (4) financial records and statements; (5) emails with Jerry Hsu regarding the
14 presentation of Crossform wrenches to JSP; (6) email responses after Kabo’s September 9, 2011
15 letter to Lowe’s regarding infringement; (7) recap of notes following an internal JSP meeting
16 regarding Kabo; (8) communications with PTI; and (9) JSP’s supplier exit plan.

17 DISCUSSION

18 The scope of discovery in patent cases “should be liberally construed” under Federal Rule
19 of Civil Procedure 26(b)(1). *See Bd. of Trs. of Leland Stanford Jr. Univ. v. Roche Molecular Sys.,*
20 *Inc.*, 237 F.R.D. 618, 621 (N.D.Cal.2006) (compelling production of documents under Rule 26 in
21 patent infringement action). Rule 26 encompasses “any matter that bears on, or that reasonably
22 could lead to other matters that could bear on, any issue that is or may be in the case.”
23 *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 351 (1978). Discovery is not limited to the
24 issues raised only in the pleadings, but rather it is designed to define and clarify the issues. *See id.*
25 at 351. If a party agrees to produce the requested documents, it must produce all material that is
26 within its “possession, custody, or control.” Fed. R. Civ. P. 34(a)(1)(A). “Control” need not be
27 actual control; courts construe it broadly as “the legal right to obtain documents upon demand.”
28 *United States v. Int’l Union of Petroleum & Indus. Workers*, 870 F.2d 1450, 1452 (9th Cir.1989);

1 *see also Scott v. Arex, Inc.*, 124 F.R.D. 39, 41 (D.Conn.1989) (party controls document if it has
2 right, authority, or ability to obtain documents on demand).

3 **A. Categories of Documents Sought**

4 **1. Original Factory Drawings**

5 Kabo seeks production of detailed manufacturing documentation and original factory
6 drawings regarding the accused product. The Court finds such documents are responsive to Kabo's
7 RFPs nos. 4 and 13. RFP no. 4 requests "[a]ll documents that support, dispute, or otherwise relate
8 to Kabo's claim of JS Products' infringement of the '057 Patent." RFP no. 13 seeks "[a]ll
9 documents and things referring or relating to the conception of Kobalt Crossform Wrenches,
10 including, but not limited to, models, prototypes, specifications, schematics, simulations, notes,
11 laboratory notebooks, manuals, memoranda, correspondence or e-mail." JSP argues that the
12 drawings and documents sought are in the possession of its third-party supplier Porauto and third-
13 party manufacturer Jin Wang. In his 30(b)(6) deposition, however, Moore stated that he could "get
14 access to a detailed manufacturing print for this particular product if [he] wanted to" by
15 "contact[ing] his supplier and [...] request[ing] it." *See Doc. #119, Exh. L* at 166:24-167:8. When
16 asked if his supplier has had any issue providing a print in the past, Moore responded, "Generally
17 not." *Id.* The Court therefore also finds that, based on Moore's testimony, the requested
18 documents, in addition to being responsive to RFPs nos. 4 and 13, are within JSP's control and
19 shall be produced.

20 **2. Standard Operating Procedures**

21 Kabo also seeks production of JSP's documents related to various SOPs including
22 document retention, quality control and assurances, and manufacturing tolerances. The Court finds
23 SOPs regarding manufacturing tolerances and document retention are responsive to Kabo's RFPs
24 nos. 34 and 50. RFP no. 34 requests "[a]ll documents that support, dispute, or otherwise relate to
25 JS Products' claim of non-infringement, invalidity, and/or unenforceability of the '057 Patent."
26 Kabo represents that JSP has argued manufacturing tolerances as a defense against Kabo's
27 infringement allegations. Accordingly, to the extent that an SOP on manufacturing tolerances
28 exists, it shall be produced in response to Kabo's RFP no. 34. RFP no. 50 requests "[a]ll

1 documents referring or relating to any policy, instruction, or set of instructions [...] relating to the
2 destruction or retention of documents or records.” In Moore’s 30(b)(6) deposition, he stated that
3 JSP has a document retention policy, and when asked whether it is written down responded that he
4 “believe[s] that it is in an SOP.” *See Doc. #119, Exh. L* at 45: 12-20. JSP, despite Moore’s
5 deposition testimony, now asserts there is no written SOP regarding document retention. To the
6 extent JSP maintains this position, it shall provide Kabo with an affidavit by the person most
7 knowledgeable or other representative to that effect setting forth the inquiry made to discover any
8 SOP on document retention.

9 **3. Ghant List**

10 Moore offered deposition testimony regarding JSP’s general use of a “Ghant List,” which is
11 a project chart or checklist JSP creates when preparing to demonstrate new items to a customer.
12 *See Doc. #119, Exh. L* at 64:17-65:6. Kabo seeks production of the Ghant List for the accused
13 product at issue in this case. JSP agrees that any extant Ghant List would be responsive to Kabo’s
14 RFPs, but states that no such list exists for the accused product. As with the subject SOPs, to the
15 extent JSP maintains this position, it shall provide an affidavit by the person most knowledgeable
16 or other representative to that effect setting forth the inquiry made to discover any responsive Ghant
17 List.

18 **4. Financial Records**

19 Kabo’s RFP no. 29 requests “[a]ll financial reports of JS Products from 2006 to the
20 present.” JSP maintains its original objections to the scope of this RFP, and represents that JSP has
21 produced its revenue from sales of the accused product to Lowe’s as well as the amount JSP
22 remunerated JSP’s third-party supplier Proauto for the accused product. Kabo now seeks all of
23 JSP’s financial information to facilitate, among other things, a comparative cost analysis for the
24 production of the accused wrench and conventional wrenches for the purposes of damages
25 calculation. For the reasons stated on the record at the April 2 hearing, the Court finds this request
26 to be overly broad. To the extent JSP has in its possession, custody, or control any outstanding
27 financial documents relating to the production or sale of the accused product, however, they shall
28 be produced.

1 **5. Emails Between JSP and Jerry Hsu**

2 Kabo further represents that during his deposition, Moore confirmed that Jerry Hsu, who
3 facilitated the manufacture and supply of the accused product on behalf of JSP, presented the
4 product to JSP. In so doing, Kabo argues Moore's deposition testimony suggests Moore and Jerry
5 Hsu exchanged emails regarding the accused product. When asked whether the accused product
6 was "presented to [him] by Jerry Hsu of Proauto," Moore responded affirmatively. *See Doc. #119,*
7 *Exh. L* at 85:3-7. Moore testified that such initial presentations routinely occur "via email [...] or
8 phone call[.]" *Id.* at 85:17-18. Emails regarding Jerry Hsu's presentation of the accused product to
9 JSP may be responsive to Kabo's RFP no. 5, which requests "[a]ll documents referring or relating
10 to any communication between JS Products and Kabo regarding [JSP's] products and/or the alleged
11 infringement of '057 Patent by JS Products." JSP argues that only emails between JSP and Kabo
12 are responsive to this Request. The Court finds that any emails between JSP and Jerry Hsu are
13 responsive to RFP no. 5, however, to the limited extent that they relate or refer to communications
14 between JSP and Kabo.

15 Kabo also argues emails not falling within RFP no. 5's reach are responsive to RFP no. 20,
16 which requests all documents "used in the introduction and/or promotion of each wrench product
17 [JSP] sold, offered for sale, displayed, advertised, and/or marketed in the United States since June
18 27, 2006." JSP asserts that the emails sought were not "used" in the sale and promotion of the
19 accused product, and are therefore not responsive to RFP no. 20. Kabo responds that to the extent
20 the emails between JSP and Jerry Hsu contributed in any way to the introduction of the accused
21 wrench, they are properly responsive. Kabo's construction of its RFP no. 20 is overly broad, and
22 only the emails between JSP and Jerry Hsu that relate or refer to communication between JSP and
23 Kabo shall be ordered produced.

24 **6. JSP's Response to Kabo's Letter to Lowe's**

25 Kabo alleges JSP has failed to provide its communications related to a September 9, 2011
26 letter from Kabo to Lowe's regarding sale of the accused product. When asked whether he
27 responded to forwarded internal Lowe's emails circulated after receipt of the September 9 letter,
28 Moore testified at his deposition that "[he] imagine[d] he would have" but does not recall. *See*

1 *Doc. #119, Exh. L* at 254:9-24. Moore also indicated he would be able to research whether he
 2 responded to the email. *Id.* at 255:11-14. The Parties represent that Kabo has obtained certain
 3 related email communications from Lowe's, which Kabo argues are not exhaustive.

4 To the extent communications from JSP in response to the September 9 letter exist, they
 5 may be responsive to Kabo's RFPs nos. 4, 5, and 34. RFP no. 4 requests "[a]ll documents that
 6 support, dispute, or otherwise relate to Kabo's claim of [JSP's] infringement of the '057 Patent."
 7 RFP no. 5 requests "[a]ll documents referring or relating to any communication between JS
 8 Products and Kabo regarding [JSP's] products and/or the alleged infringement of '057 Patent by JS
 9 Products." RFP no. 34 requests "[a]ll documents that support, dispute, or otherwise relate to
 10 [JSP's] claim of non-infringement, invalidity, and/or unenforceability of the '057 Patent." Insofar
 11 as any written communications from JSP regarding the September 9 letter likely involve
 12 discussions that "relate to" Kabo's claim of infringement or JSP's claim of non-infringement, they
 13 are properly responsive to RFPs nos. 4 and 34. Insofar as any such communications refer or relate
 14 to communications between JSP and Kabo, they are responsive to RFP no. 5.

15 **7. "Recap of Notes" Following Internal JSP Meeting**

16 During his 30(b)(6) deposition, Moore acknowledged the existence of a document which an
 17 internal JSP email referred to as a "Recap of Notes" following a meeting regarding Kabo on
 18 October 3, 2011. *See Doc. #119, Exh. L* at 267:5-268:11. JSP does not contend that the "Recap" is
 19 outside the scope of Kabo's RFPs, but argues that it is privileged as work product. JSP submitted
 20 the Recap of Notes for *in camera* review. *See Doc. #134, Exh. 10* (excluding attachments).

21 The work-product doctrine protects from discovery documents "prepared by a party or his
 22 representative in anticipation of litigation." *In re Grand Jury Subpoena (Mark Torf)*, 357 F.3d 900,
 23 906 (9th Cir. 2004). To be protected under the doctrine, documents must be prepared (1) in
 24 anticipation of litigation or for trial; and (2) by or for another party or by or for that other party's
 25 representative. *United States v. Adlman*, 134 F.3d 1194, 1202 (2d Cir. 1998). Here, aside from
 26 bare assertions that the "Recap" was prepared in response to direct claims of patent infringement,
 27 JSP makes no showing that the subject notes anticipated litigation. Accordingly, and having
 28 reviewed the Recap *in camera*, the Court finds the subject notes are not privileged and shall be

1 produced.

2 **8. Documents and Communications with Proprietary Technologies, Inc.**

3 Kabo represents that JSP has produced wrench license agreements for licenses it holds for a
 4 number of Proprietary Technologies, Inc.'s ("PTI") patents. During Moore's deposition, he
 5 identified documents and communications between JSP and PTI, production of which Kabo now
 6 seeks. Kabo argues the documents are responsive to RFPs nos. 21, 22, 30 and 43. The Court finds
 7 that the documents and communications sought are only arguably within the scope of RFPs nos. 30
 8 and 43. RFP no. 30 requests "[a]ll documents referring or relating to [JSP's] sales of wrenches to
 9 third parties from June 27, 2006 to the present." Kabo asserts that documents and communications
 10 regarding licensing agreements relate to the sale of wrenches, arguing the purpose of entering a
 11 licensing agreement is to sell some product. A reasonable reading of RFP no. 30, however, is as a
 12 request for documents relating to the actual sale of JSP wrenches, which JSP represents it has
 13 already produced. RFP no. 43 requests "[a]ll communications with third parties referring or
 14 relating to this lawsuit or Kabo." JSP argues that email communications with PTI to obtain a
 15 license to patented technology on an unrelated configuration feature of one of its wrench products
 16 does not relate to Kabo or the instant litigation. The Court agrees, and finds that the documents and
 17 communications with PTI fall outside the ambit of Kabo's RFPs.

18 **9. JSP's Supplier Exit Plan**

19 At his deposition, Moore testified that there is a supplier exit plan "on the table for
 20 consideration" to terminate Kabo's supplier relationship with JSP. *See Doc. #119, Exh. L* at
 21 273:10-275:9. Kabo asserts the exit plan is responsive to its RFPs nos. 2, 28, and 49. It appears to
 22 the Court that the exit plan is only potentially responsive to RFP no. 49 which seeks "[a]ll
 23 documents referring (*sic*) or concerning Kabo or the '057 Patent." Nevertheless, on its face, JSP's
 24 supplier exit plan does not appear to be relevant to the instant action or reasonably calculated to
 25 lead to the discovery of admissible evidence.

26 **B. Additional Rule 30(b)(6) Deposition**

27 Kabo also moves for leave to conduct an additional 30(b)(6) deposition of JSP's person
 28 most knowledgeable due to alleged inadequacies of Moore's testimony and alleged inconsistencies

1 between Moore's testimony and JSP's discovery responses. This District has previously held that
 2 additional depositions after a 30(b)(6) witness' inadequate testimony may be compelled. *See, e.g.,*
 3 *Great American Ins. Co. of New York v. Vegas Const. Co., Inc.*, 251 F.R.D. 534, 542-43 (D. Nev.,
 4 March 24, 2008). Here, as explained above, in the event there are no responsive SOPs or Ghant
 5 Lists, JSP shall provide Kabo with affidavits detailing the inquiry made to uncover any such
 6 documents. These affidavits will cure any inconsistencies in or inadequacies of Moore's deposition
 7 testimony, and the Court will not compel additional 30(b)(6) depositions of JSP. Accordingly,

8 **IT IS HEREBY ORDERED** that Kabo's Motion to Compel (#120) is **granted** in part and
 9 **denied** in part as follows:

- 10 (1) JS Products shall produce the original detailed manufacturing drawings of the
 11 accused product;
- 12 (2) To the extent JS Products has in its possession, custody, or control standard
 13 operating procedures relating to document retention, quality control and assurances,
 14 and manufacturing tolerances, it shall produce them. To the extent there are no
 15 responsive standard operating procedures, JS Products shall provide Kabo with an
 16 affidavit by the person most knowledgeable or other representative setting forth the
 17 extent of the inquiry made to discover any responsive standard operating procedures;
- 18 (3) To the extent JS Products has in its possession, custody, or control a Ghant List for
 19 the accused product, it shall be produced. To the extent there is no responsive
 20 Ghant List, JS Products shall provide Kabo with an affidavit by the person most
 21 knowledgeable or other representative setting forth the extent of the inquiry made to
 22 discover any responsive Ghant List;
- 23 (4) JS Products shall produce the communications and emails between JS Products and
 24 Jerry Hsu, to the limited extent that they relate or refer to communications between
 25 JS Products and Kabo;
- 26 (5) JS Products shall produce any communications in response to the September 9, 2011
 27 letter from Kabo to Lowe's; and

28 ...

(6) JS Products shall produce the "Recap of Notes" composed after the October 3, 2011
JS Products meeting regarding Kabo

IT IS FURTHER ORDERED that JS Products shall make the above-enumerated
productions in compliance with this Order on or before **August 4, 2013**.

DATED this 3rd day of July, 2013.



GEORGE FOLEY, JR.
United States Magistrate Judge